

ORIGINAL



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THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____

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AZ CORP COMMISSION
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GLEASON PROPOSED AMENDMENT #1

DATE PREPARED: August 4, 2005

COMPANY: Arizona Electric Power Cooperative, Inc. and
Southwest Transmission Cooperative, Inc.

DOCKET NOS.: E-01773A-04-0528 and E-04100A-04-0527

OPEN MEETING DATES: August 9 and 10, 2005

AGENDA ITEM: U-3

Page 9,

Line 22, after "Test Year." STRIKE the remainder of the line

STRIKE: lines 23 through 25

INSERT:

"We recognize that the FPPCA is intended to allow timely recovery of increases in fuel and purchased power costs, or to allow the refund of any decreases, without the time and expense of a full rate proceeding. We also note that no party objected to Staff's recommendations for the FPPCA. However, we are concerned with the possibility that AEPCO's recovery of fuel and purchased power costs under Staff's proposed FPPCA may nonetheless be outpaced by the rate of future fuel and purchased power cost increases. Therefore, we will approve the FPPCA on the terms agreed to by the parties, but in so doing, we will attach an additional condition allowing AEPCO to request the Commission to review of the efficacy of the FPPCA when AEPCO submits any semi-annual FPPCA report as required elsewhere in this decision."

Page 16,

After line 5, INSERT:

"IT IS FURTHER ORDERED that Arizona Electric Power Cooperative, Inc. may file a request that the Commission review the efficacy of the FPPCA with Company's submission of any semi-annual FPPCA report required by this decision."

Make all conforming changes.